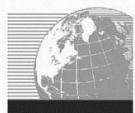




EL PASO'S FOREIGN-TRADE ZONE No. 68



**FOREIGN-TRADE
ZONE No 68**

El Paso International Airport



EL PASO
INTERNATIONAL AIRPORT



“Delivering Outstanding Services”

What is a Foreign-Trade Zone

- ✓ A secure area located in or near a Port of Entry, legally outside the U.S. Customs territory, where foreign and domestic goods can be brought for storage, manipulation, manufacturing and/ or distribution, without a formal Customs entry or payment of Customs duties.
- ✓ Legally outside the U.S. Customs Territory
- ✓ FTZ Board has authority to approve manufacturing activity based on public interest

What can you do in a Foreign-Trade Zone?

- Assemble
- Destroy
- Exhibit
- Repair
- Repackage
- Store
- Test and inspect
- Manufacture





What Markets can use the Zone?



- Aerospace vehicles & components
- Apparel & Textile products
- Automotive parts and components
- Consumer Electronics (computers, printers, cell phones, cable decoders, LCD & Plasma TVs, vacuum cleaners)
- Food products
- Green technology (solar, wind, electric)
- Medical supplies & equipment
- Metals & minerals
- Petroleum products (gasoline, jet fuel)
- Plastic and rubber products
- Pharmaceutical products



Benefits to Businesses

- ✓ **Duty Deferral:** Provide cash flow savings, reduce cost on seasonal goods
- ✓ **Duty Elimination:** Goods re-exported or destroyed
- ✓ **Duty Reduction** (Inverted Tariff Relief) in a manufacturing zone, owner of goods can elect to pay duties on components or on a finished good, whichever is less
- ✓ **Direct Delivery:** Allows direct shipment from port & logistical savings
- ✓ **Weekly Entry & Weekly Export:** Save on customs broker fees, merchandise processing fee, and streamlined import/export processes, not available in free trade agreement environments
- ✓ **No ad valorem taxes:** No inventory taxes on foreign goods, and domestic goods exported from zone
- ✓ **Improved Inventory control:** provides operational efficiencies and improved regulatory compliance
- ✓ **Military Sales:** If you sell goods from an FTZ to US military or NASA, there is no duty.
- ✓ **Avoid Customs Fines & Seizures:** Goods without marking, visa or quota documentation can be admitted into the zone
- ✓ **No Duty on Waste, Labor, Overhead and profits**

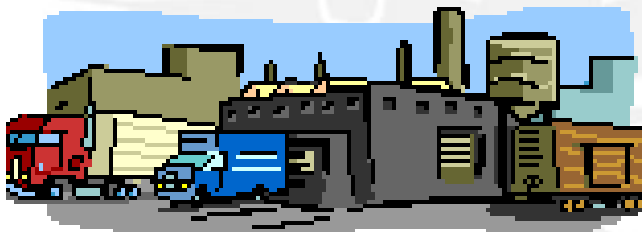




Example- Duty Deferral

Product A is received
in FTZ January 2.
No Duty paid.

Admitted
to zone



Transferred to
US Commerce

Product A is
shipped out April
10. Duty is paid.

Company deferred duty for three months

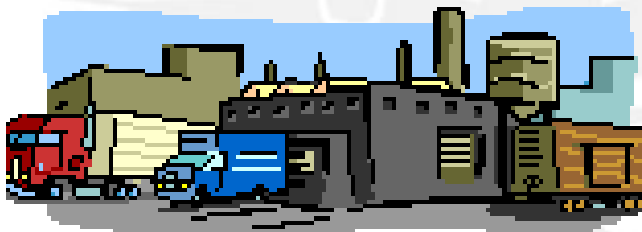




Example- Duty Elimination

Product A is received
in FTZ January 2.
No Duty paid.

Admitted
to zone



Transferred out
of the country

Product A is
shipped out April
10. No Duty is paid.

Company does not have to pay Customs
duties and/or fees

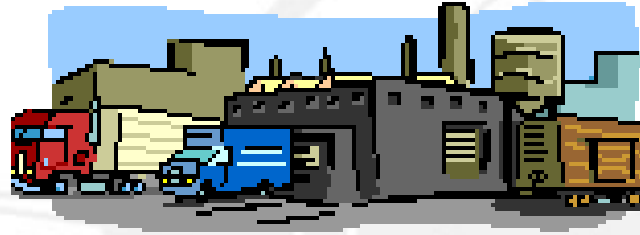




Duty Reduction in a Manufacturing Zone



Component A
15% Duty Rate
Component B
8% Duty Rate
Component C
6.5% Duty Rate



Final Product Duty Rate

Component A
4% Duty Rate
Component B
4% Duty Rate
Component C
4% Duty Rate

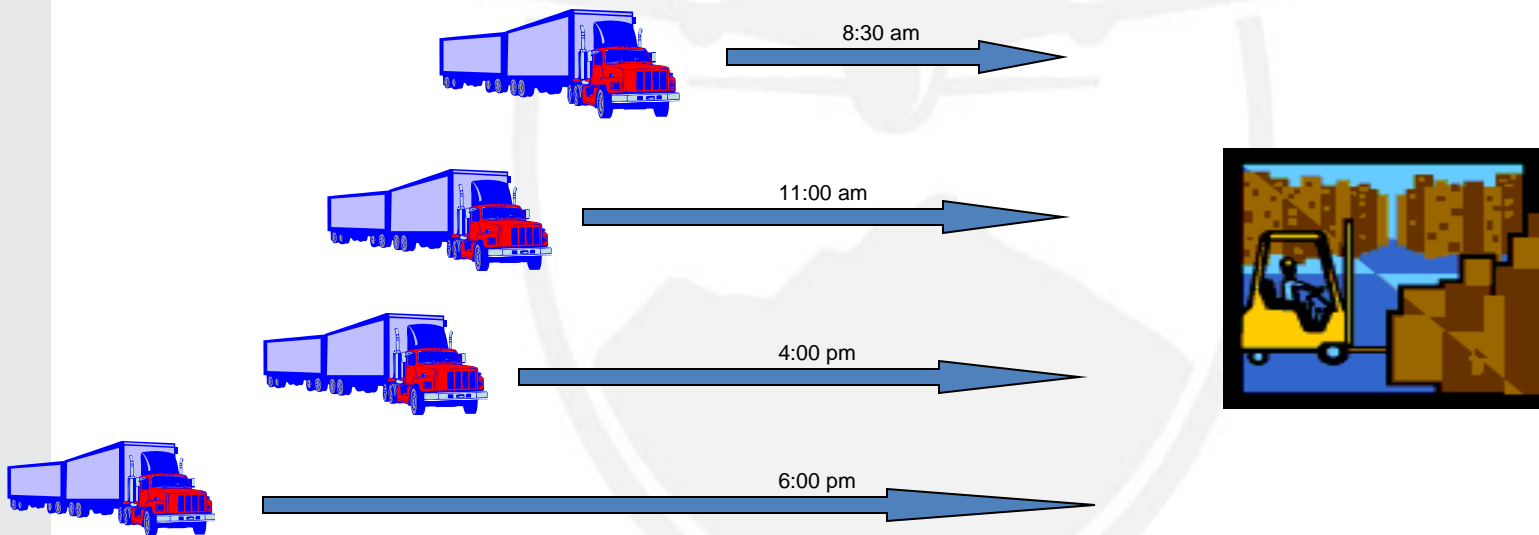
Company paid 4% Duty on finished good





Example- Direct Delivery

- Allows “in bond” shipments to be shipped directly into a FTZ without having filed and approved an FTZ admission application, instead of having to file an admission for each shipment.
- All shipments admitted under one FTZ Admission Application, filed at the end of business day. **One cumulative admission covers all shipments within a 24 hour period, saving time and money!**





Weekly Entry

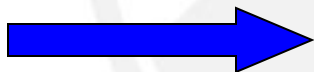
Direct Entry to US (None FTZ)



35 shipments received per week,
requires filing of 35 Customs Entries.
MPF paid is \$7,200



Foreign-Trade Zone



35 shipments admitted to FTZ, and
entered to US Commerce under 1
weekly Customs Entry. MPF
maximum paid is capped at \$485





Manufacturing Business Incentive (MBI)

The MBI is an incentive created to help manufacturing businesses. **Available only in El Paso.** MBI reduces FTZ start-up cost:

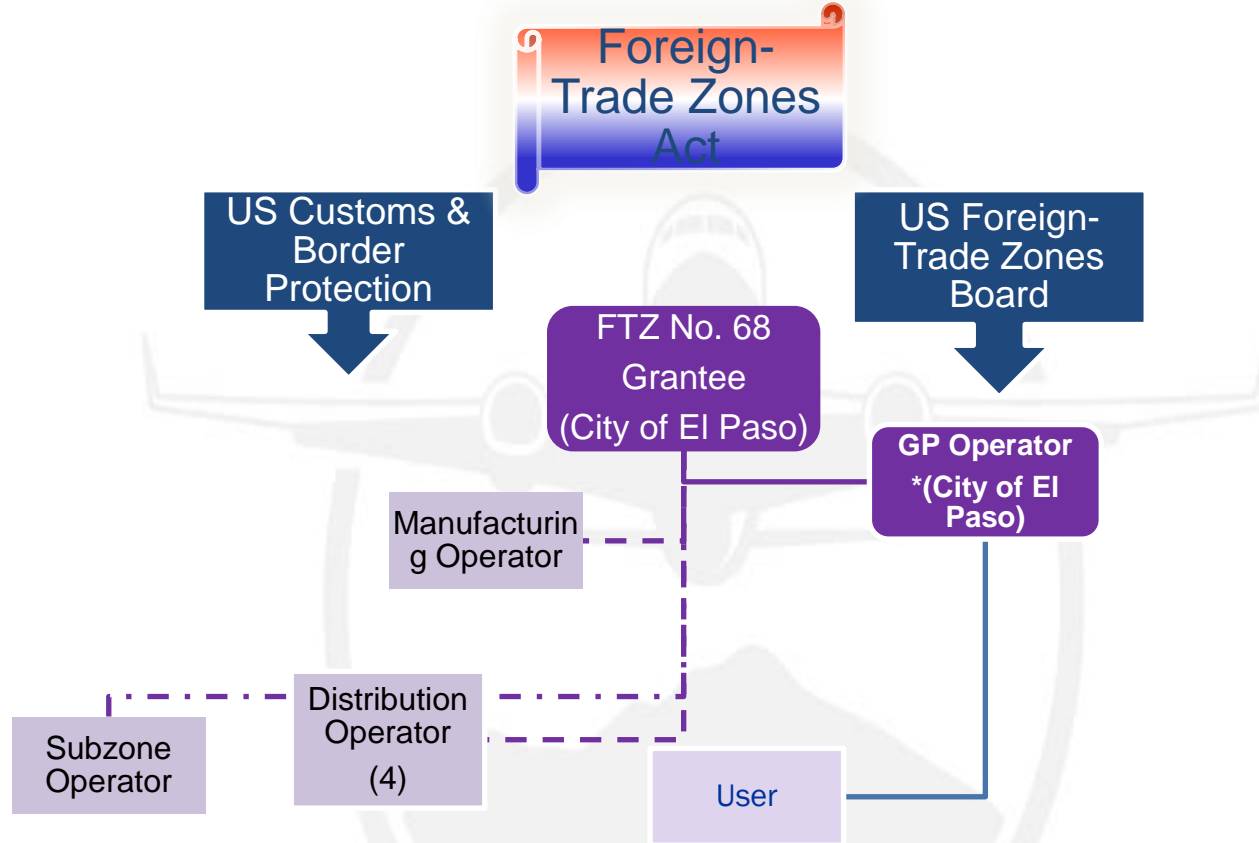
- ❖ Grantee application fee is waived.
- ❖ Grantee activation fee is waived.
- ❖ Grantee annual fee and transactions fees, if applicable, are waived for first year.
- ❖ Receive start up support from FTZ No. 68 Grantee/Operator. FTZ Operations Training fees are also waived for up to four (4) key employees.



“Delivering Outstanding Services”



Authority Structure – FTZ No. 68



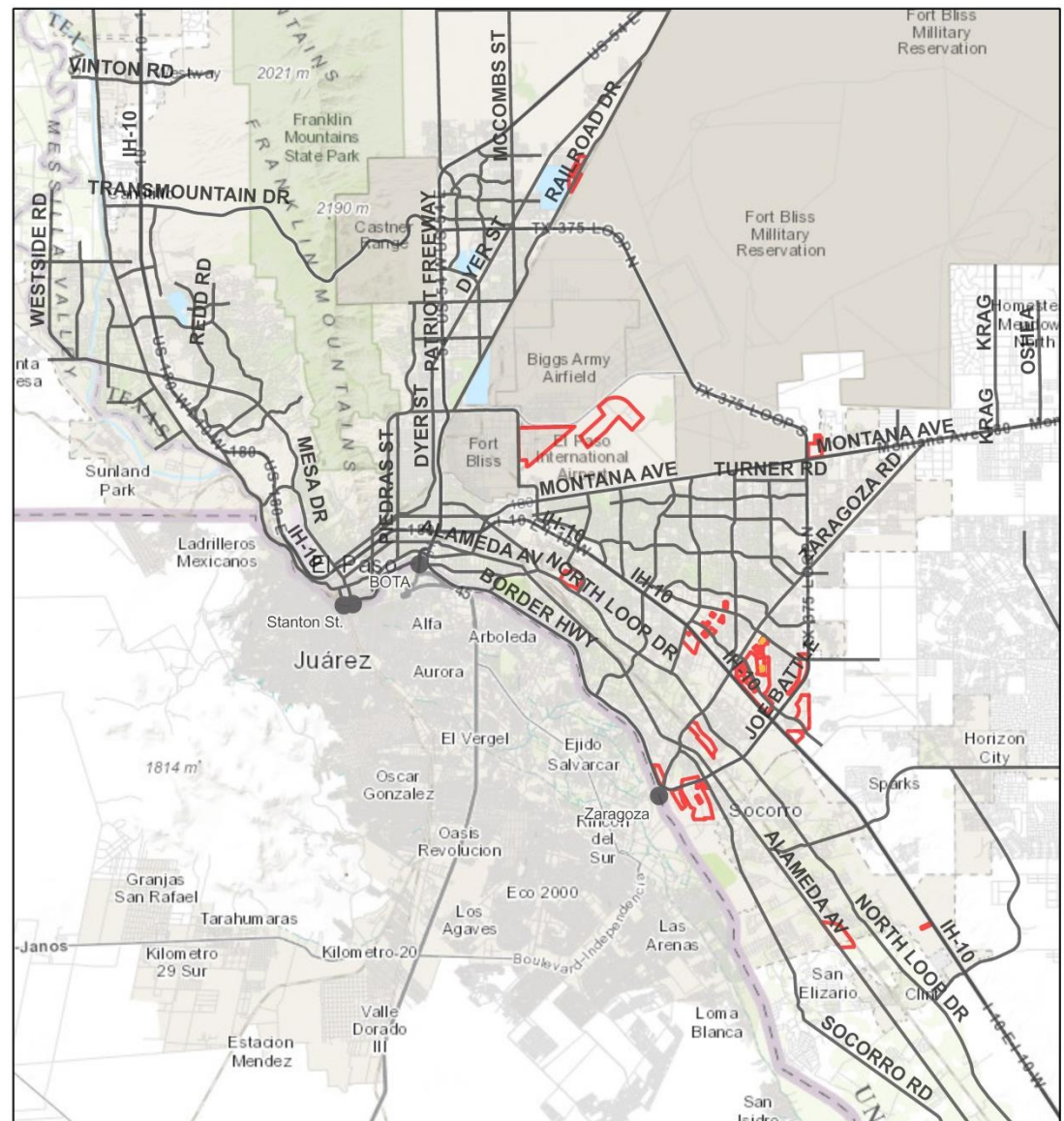
*Coordination with Participating Government Agencies that affect FTZ activity: Census Bureau, Food & Drug Adm., EPA, Fish & Wildlife, CPSC, DOT, ATTTB, DOE, US Commercial Service, State Dept. Also, coordination with state & local agencies, and NGOs.

“Delivering Outstanding Services”



- Site 1, Airport – 1,065 acres
- Site 2, Mission Valley – 797 acres
- Site 3, East Region – 1,356 acres
- Site 4, Central Region – 130 acres
- Site 5, Northeast Region – 95 acres

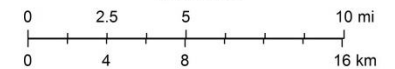
<http://home.elpasotexas.gov/ftz/map.php>



February 19, 2016

1:288,895

- International Bridges
- Major Roads
- ForeignTradeZone**
- FTZ General-Purpose
- Subzone



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



FTZ No. 68: One Hub - Numerous Sites

The International Trade Processing Center is the region's only **one stop shop** for international trade:

- US Customs & Border Protection (CBP) & Federal Inspection Area for air cargo
- FTZ No. 68 Administrative Office
- EPIA's Perishables Center

The Zone has over 3,400 acres of FTZ designation in six regional sites. It contains numerous industrial parks in El Paso that can accommodate any large or small project.



"Delivering Outstanding Services"



Role as FTZ No. 68 Grantee

Operate Grant of Authority – 15 CFR 400

- Liaison to US Foreign-Trade Zones Board: Annual Report
 - & Coordination with FTZ consultants on applications
- International Trade Starting Point (Promotion)
 - ❖ Trade Conference – Networking, Export & FTZ Info.
 - ❖ COEP trade mission organizer - promotes export-focused trade missions for the purpose of growing El Paso exports and creating jobs
 - ❖ Foreign Trade Promotion – Foster international cooperation & regional economic development



CITY OF EL PASO • EL PASO INTERNATIONAL AIRPORT • FTZ No. 68

Trade & Investment Mission:

BARCELONA SPAIN 2013

OCTOBER 19TH - 24TH

Deadline to confirm your participation to Barcelona's Trade Mission August 31st, 2013

Please submit your registration form before the deadline date. Contact Carolina Vela- FTZ Coordinator to register. 915-771-6016

The Mission to Barcelona is organized by Foreign Trade Zone No. 68, a division of the El Paso International Airport and the City of El Paso's Economic Development Division.

A Visa is not required for U.S. or Mexican citizens visiting Spain for business or tourist purposes if staying less than 90 days.

Ready To Go Global?

Join us on a trip to Barcelona to obtain a better market perspective and establish contacts with potential international buyers and suppliers. The intent of the trade and investment mission is to explore possibilities of partnerships through increased trade, intelligence, and resources between participating countries as well as to establish the El Paso region as a premier gateway for foreign investment. The mission allows our region to explore business, educational and cultural opportunities as a result of face-to-face meetings with decision-makers in Barcelona.

For Further Information, please contact:
Mayra De La Canal (915) 540-4478 or Carolina Vela (915) 771-6016



FOREIGN-TRADE
ZONE NO. 68
El Paso International Airport



El Paso International Airport



City of El Paso



“Delivering Outstanding Services”



- Business development – Regional coordination, Soft landing support
- Startup -- Prospective businesses have various options to use an FTZ:
 1. Utilize a 3rd Party Logistics Warehouse that offers FTZ services
(Interested party should contact 3PL directly for rates, See website list in [About FTZ No. 68](#))
 2. Activate a Distribution Facility in the General Purpose Zone.
 - a. Prospective business can be set up as an FTZ User where a company operates under the Customs bond of the City (Fees are based on transaction activity)
 - b. Prospective business if owner of goods can activate as its own Distribution Operator (annual fee based)





Role as FTZ No. 68 General-Purpose Operator

Direct Services to Trade Community – 19 CFR 146

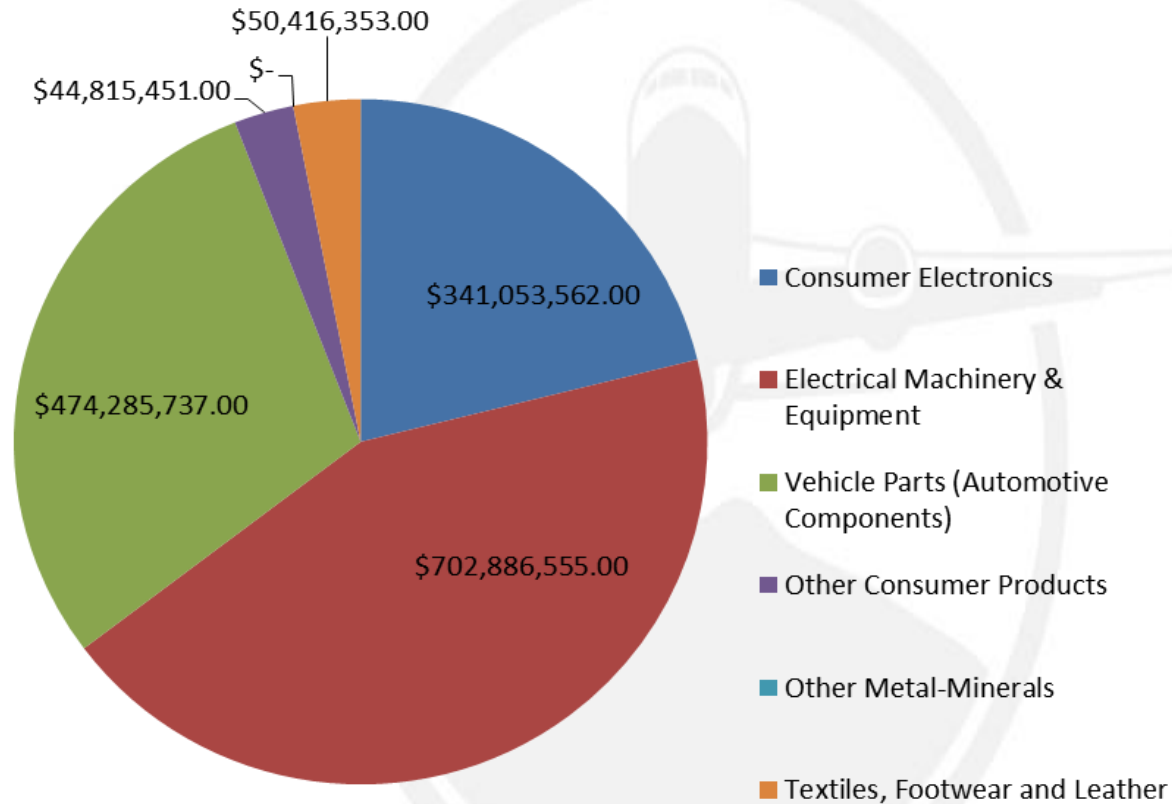
- FTZ Document support to Customers with Customs & monthly reconciling - reduces liability
- FTZ Users can use our E-214 admission system - free
- FTZ Training seminars – to users, site operators, & customs brokers (only grantee/operator in the nation)
- Perform compliance audits of Users & annual reporting to CBP
- Liaison with federal agencies on FTZ transactions & mitigation of CBP fines/penalties





FTZ No. 68

Major Categories for 2014 (US Dollars)



"Delivering Outstanding Services"





Foreign-Trade Zone No. 68

2014 Performance Indicators



Added Value of
Merchandise in the
Zone
\$64 Million

Total Commercial Square Feet of
Activated FTZ space
2.4 Million ft²



1,109
Direct
Jobs

+

2,350
Indirect
Jobs

Over **3,450 Jobs**
Total impact of the Zone



Value of Goods
Forwarded to the U.S.
Market
\$9.7 Billion

+

Value of Goods
Exported from the
Zone
\$9.2 Billion



Total Value of goods
moving through the Zone
\$18.9 Billion



Nationally
Awarded &
Recognized

1st in
Exports
Volume

2nd in
Merchandise
Received

By the National Assoc. of
Foreign Trade Zones & the
U.S. Foreign Trade Zones
Board



Investment by FTZ Users
\$3.7 Million



Over
\$18
Billion
of Merchandise
received in the
Zone



**FOREIGN-TRADE
ZONE No 68**
El Paso International Airport

“Delivering Outstanding Services”



Recognitions

- Recognized by National Association of Foreign-Trade Zones on Sept. 30, 2015, annual conference with the 2014 Top Exporter in Distribution Activity
- Achievements in FTZs, Excellence Award in Economic Development by *Business Facilities Magazine*, 2015
- Honorable Mention in “Global Free Zones of the Year 2014”, fDi, Financial Times Group
- Ranked # 2 in Top 25 US Foreign Trade Zones, by *Global Trade magazine* (Sept./Oct. 2013)
- Achievements in FTZs, Excellence Award in Economic Development by *Business Facilities Magazine*, 2013
- Ranked # 28 Best Airport Zones among the “Top 50 Global Free Zones of the Future 2012/13”, by *fDi Magazine*, 2012



fDi Global Free Zones of
the Year 2014 –
Honorable Mention –
Americas
FTZ No 68, El Paso, US



“Delivering Outstanding Services”



hanon
SYSTEMS

LUEMAR Group
Global Logistics Solutions



epLogistics

APEX Diversified
Solutions, Inc.

Interload Forwarding, LLC dba
Transgroup Worldwide Logistics

PROTRANS
INTERNATIONAL

MORRISON
EXPRESS

BRK
THE PROFESSIONAL STANDARD

TATUNG
COMPANY OF AMERICA, INC.

BOSCH

vf

Trans-Expedite Inc.

Futaba

Sumitomo

NIPPON EXPRESS USA, INC.

PEDRAZA
Customhouse Brokers, Inc.
Est. 1989

DB SCHENKER

Honeywell

Jose Quiñonez, Jr. A.Z.S, C.M.
Foreign-Trade Zone No. 68
Tel. (915) 771-6016, Fax (915) 772-2491
Website: www/ftz.elpasotexas.gov/



“Delivering Outstanding Services”